

106TH CONGRESS  
1ST SESSION

# S. 1751

To amend the Federal Election Campaign Act of 1971 to modify reporting requirements and increase contribution limits, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1999

Mr. HATCH introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Federal Election Campaign Act of 1971 to modify reporting requirements and increase contribution limits, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Citizens’ Right to  
5       Know Act of 1999”.

6       **SEC. 2. DISCLOSURE REQUIREMENTS.**

7       (a) DISCLOSURE OF CONTRIBUTIONS AND EXPENDI-  
8       TURES ON THE INTERNET.—

1           (1) IN GENERAL.—Section 304 of the Federal  
2       Election Campaign Act of 1971 (2 U.S.C. 434) is  
3       amended by adding at the end the following:

4       “(d) REQUIRED DISCLOSURE ON THE INTERNET.—

5           “(1) IN GENERAL.—Except as provided in para-  
6       graph (3), each political committee shall make avail-  
7       able to the public on the Internet the information re-  
8       quired under subparagraphs (A) and (B) of para-  
9       graph (3) and paragraph (5)(A) of subsection (b),  
10      not later than 14 days after—

11           “(A) the date on which the committee re-  
12      ceives a contribution from or makes an expendi-  
13      ture to a person, aggregating \$200 or more  
14      during the calendar year; and

15           “(B) each date on which the committee re-  
16      ceives a contribution from or makes an expendi-  
17      ture to such person, aggregating an additional  
18      \$200 or more during such calendar year.

19       “(2) USE OF INFORMATION.—Any information  
20      made available under paragraph (1) may not be sold  
21      or used by any person for the purpose of soliciting  
22      contributions or donations or for any commercial  
23      purpose, other than using the name and address of  
24      any political committee to solicit contributions from  
25      such committee.

1 “(3) CANDIDATE.—

2 “(A) IN GENERAL.—In the case of a can-  
 3 didate or the candidate’s authorized committee,  
 4 the requirement under paragraph (1) that dis-  
 5 closure occur within 14 days shall only apply  
 6 during the period which begins 18 months be-  
 7 fore the date of the general election for the of-  
 8 fice for which such candidate is running and  
 9 ends on such date.

10 “(B) TIME PERIOD COVERED.—The first  
 11 disclosure required under subparagraph (A)  
 12 shall include aggregate contributions received  
 13 and expenditures made during the election cycle  
 14 for the office for which the candidate is seeking  
 15 and not previously made available under para-  
 16 graph (1).”.

17 (2) DEFINITION OF ELECTION CYCLE.—Section  
 18 301 of the Federal Election Campaign Act of 1971  
 19 (2 U.S.C. 431) is amended by adding at the end the  
 20 following:

21 “(20) ELECTION CYCLE.—The term ‘election  
 22 cycle’ means—

23 “(A) in the case of a candidate or the au-  
 24 thorized committees of a candidate, the period  
 25 beginning on the day after the date of the most

1 recent general election for the specific office or  
 2 seat that the candidate seeks and ending on the  
 3 date of the next general election for that office  
 4 or seat; and

5 “(B) in the case of all other persons, the  
 6 period beginning on the first day following the  
 7 date of the last general election and ending on  
 8 the date of the next general election.”.

9 (b) IDENTIFICATION OF CONTRIBUTORS NOT RE-  
 10 QUIRED FOR CERTAIN POLITICAL COMMITTEES.—Section  
 11 304(b)(3)(A) of the Federal Election Campaign Act of  
 12 1971 (2 U.S.C. 434(b)(3)(A)) is amended by inserting  
 13 “for a political party committee, ” before “person”.

14 (c) DISCLOSURE OF CERTAIN BROADCASTING  
 15 RECORDS.—Section 315 of the Communications Act of  
 16 1934 (47 U.S.C. 315) is amended by redesignating sub-  
 17 sections (c) and (d) as subsections (d) and (e), respec-  
 18 tively, and inserting after subsection (b) the following:

19 “(c) POLITICAL RECORD.—

20 “(1) IN GENERAL.—A licensee or operator of a  
 21 cable system shall maintain, and make available for  
 22 public inspection, a complete record of a request to  
 23 purchase broadcast time that—

24 “(A) is made by or on behalf of a legally  
 25 qualified candidate for Federal office; or

1 “(B) will communicate a message that—

2 “(i) refers to a clearly identified can-  
3 didate, Federal office holder, or national  
4 political party; and

5 “(ii) is made for the purpose of influ-  
6 encing a Federal election.

7 “(2) CONTENTS OF RECORD.—A record main-  
8 tained under paragraph (1) shall contain informa-  
9 tion regarding—

10 “(A) whether the request to purchase  
11 broadcast time is accepted or rejected by the li-  
12 censee or operator of a cable system;

13 “(B) the rate charged for the broadcast  
14 time;

15 “(D) the date and time that the commu-  
16 nication is aired;

17 “(E) the class of time that is purchased;  
18 and

19 “(F) the name of the candidate, office  
20 holder, or political party to which the commu-  
21 nication refers and the office to which the can-  
22 didate is seeking election (as applicable).

23 “(3) TIME TO MAINTAIN FILE.—The informa-  
24 tion required under this subsection shall be placed in  
25 a political file as soon as possible and shall be re-

1       tained by the licensee or operator of a cable system  
 2       for a period of not less than 2 years.”.

3   **SEC. 3. MODIFICATION OF CONTRIBUTION LIMITS.**

4       (a) CANDIDATE LIMIT.—Section 315(a)(1)(A) of the  
 5   Federal Election Campaign Act of 1971 (2 U.S.C.  
 6   441a(a)(1)(A)) is amended by striking “\$1,000” and in-  
 7   serting “\$5,000”.

8       (b) PARTY LIMITS.—Section 315(a) of the Federal  
 9   Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is  
 10   amended—

11           (1) in paragraph (1)(B), by striking “\$20,000”  
 12       and inserting “\$50,000”; and

13           (2) in paragraph (2)(B), by striking “\$15,000”  
 14       and inserting “\$50,000”.

15       (c) STATE PARTY LIMIT.—Section 315(a) of the Fed-  
 16   eral Election Campaign Act of 1971 (2 U.S.C. 441a(a))  
 17   is amended—

18           (1) in paragraph (1)—

19               (A) in subparagraph (B), by striking “or”  
 20       at the end;

21               (B) in subparagraph (C)—

22                   (i) by inserting “(other than a com-  
 23       mittee described in subparagraph (D))”  
 24       after “committee”; and

1 (ii) by striking the period at the end  
 2 and inserting “; or”; and

3 (C) by adding at the end the following:

4 “(D) to a political committee established and  
 5 maintained by a State committee of a political party  
 6 in any calendar year which, in the aggregate, exceed  
 7 \$15,000.”; and

8 (2) in paragraph (2)—

9 (A) in subparagraph (B), by striking “or”  
 10 at the end;

11 (B) in subparagraph (C)—

12 (i) by inserting “(other than a com-  
 13 mittee described in subparagraph (D))”  
 14 after “committee”; and

15 (ii) by striking the period at the end  
 16 and inserting “; or”; and

17 (C) by adding at the end the following:

18 “(D) to a political committee established and  
 19 maintained by a State committee of a political party  
 20 in any calendar year which, in the aggregate, exceed  
 21 \$15,000.”.

22 (d) AGGREGATE LIMIT.—The first sentence of sec-  
 23 tion 315(a)(3) of the Federal Election Campaign Act of  
 24 1971 (2 U.S.C. 441a(a)(3)) is amended to read as follows:  
 25 “An individual shall not make an aggregate amount of

1 contributions in any calendar year, described in subpara-  
 2 graphs (A) and (C) of paragraph (1) in excess of \$50,000  
 3 and described in subparagraphs (B) and (D) of paragraph  
 4 (1) in excess of \$50,000.”.

5 **SEC. 3. ADMINISTRATIVE EXPENSES OF POLITICAL COM-**  
 6 **MITTEES.**

7 (a) DEFINITION OF CONTRIBUTION.—Section  
 8 301(8)(B) of Federal Election Campaign Act of 1971 (2  
 9 U.S.C. 431(8)(B)) is amended—

10 (1) in clause (xiii), by striking “and” at the  
 11 end;

12 (2) in clause (xiv), by striking the period at the  
 13 end and inserting “; and”; and

14 (3) by adding at the end the following:

15 “(xv) any amount received by a committee of a  
 16 political party specifically designated to defray the  
 17 cost of legal or accounting services or other services  
 18 required for compliance with this Act or chapter 95  
 19 or chapter 96 of the Internal Revenue Code of 1986,  
 20 including the costs of developing and maintaining a  
 21 system of electronic recordkeeping and reporting.”.

22 (b) DEFINITION OF EXPENDITURE.—Section  
 23 301(9)(B) of the Federal Election Campaign Act of 1971  
 24 (2 U.S.C. 431(9)(B)) is amended—

25 (1) in clause (ix), by striking “and” at the end;



1           (2) in clause (x), by striking the period at the  
2           end and inserting “; and”; and

3           (3) by adding at the end the following:

4           “(xi) the payment by a committee of a political  
5           party for the cost of legal or accounting services or  
6           other services required for compliance with this Act  
7           or chapter 95 or chapter 96 of the Internal Revenue  
8           Code of 1986, including the costs of developing and  
9           maintaining a system of electronic recordkeeping  
10          and reporting.”.

11 **SEC. 4. TAX DEDUCTION FOR CONTRIBUTIONS TO CERTAIN**  
12 **POLITICAL COMMITTEES AND CANDIDATES.**

13          (a) IN GENERAL.—Part VII of subchapter B of chap-  
14          ter 1 of the Internal Revenue Code of 1986 is amended  
15          by redesignating section 222 as section 223 and inserting  
16          after section 221 the following new section:

17 **“SEC. 222. POLITICAL CONTRIBUTIONS.**

18          “(a) ALLOWANCE OF DEDUCTION.—In the case of an  
19          individual, there shall be allowed as a deduction for the  
20          taxable year an amount equal to the lesser of—

21                 “(1) the aggregate amount of qualified political  
22                 contributions made by the taxpayer during the tax-  
23                 able year, or

24                 “(2) \$100 (\$200 in the case of a joint return).

1       “(b) QUALIFIED POLITICAL CONTRIBUTIONS.—For  
2 purposes of this section—

3               “(1) IN GENERAL.—For purposes of this sec-  
4 tion, the term ‘qualified political contributions’  
5 means an amount paid or incurred to a—

6                       “(A) candidate or candidate’s authorized  
7 committee,

8                       “(B) political committee of a national po-  
9 litical party; or

10                      “(C) qualified political committee.

11       “(2) QUALIFIED POLITICAL COMMITTEE.—The  
12 term ‘qualified political committee’ means a separate  
13 segregated fund described in section 316(b)(2)(C) of  
14 the Federal Election Campaign Act of 1971 (2  
15 U.S.C. 441b(b)(2)(C)) and maintained by a corpora-  
16 tion, labor organization, membership organization,  
17 cooperative, or corporation without capital stock  
18 which is certified by the Federal Election Commis-  
19 sion for the calendar year in which the taxable year  
20 begins as meeting the voluntary disclosure require-  
21 ments of section 324 of such Act.

22       “(c) VERIFICATION.—The credit allowed by sub-  
23 section (a) shall be allowed, with respect to any contribu-  
24 tion, only if such contribution is verified in such manner  
25 as the Secretary shall prescribe by regulations.

1       “(d) OTHER DEFINITIONS.—For purposes of this  
 2 section, the terms ‘authorized committee’, ‘candidate’,  
 3 ‘contribution’, and ‘political committee’ have the meaning  
 4 given those terms in section 301 of the Federal Election  
 5 Campaign Act of 1971.”.

6       (b) VOLUNTARY DISCLOSURE REQUIREMENT.—Title  
 7 III of the Federal Election Campaign Act of 1971 (2  
 8 U.S.C. 431 et seq.) is amended by adding at the end the  
 9 following:

10   **“SEC. 324. VOLUNTARY DISCLOSURE REQUIREMENT.**

11       “(a) DISCLOSURE.—An organization which main-  
 12 tains a separate segregated fund described in section  
 13 316(b)(2)(C) may elect to disclose disbursements made for  
 14 political activity during the 12-month period ending on  
 15 August 15 of a calendar year by filing an annual report  
 16 with the Commission under this section.

17       “(b) POLITICAL ACTIVITY.—In this section, the term  
 18 ‘political activity’ means activity in connection with any  
 19 election or candidate, including—

20               “(1) voter registration activity;

21               “(2) voter identification and get-out-the-vote ac-  
 22 tivity;

23               “(3) organizing and running direct mail cam-  
 24 paigns or phone banks;

1           “(4) disbursements for broadcast time or print  
2       advertising; and

3           “(5) polling.

4       “(c) FORM OF REPORT.—A report under subsection  
5 (a) shall be filed annually with the Commission—

6           “(1) in such form and containing such informa-  
7       tion as the Commission determines necessary, and

8           “(2) not later than September 1 of the calendar  
9       year to which such report relates.

10       “(d) PUBLIC ACCESS.—

11           “(1) REPORT.—A report filed under subsection  
12 (a) shall be made accessible to the public by the  
13 Commission not later than September 30 of the cal-  
14 endar year to which such report relates.

15           “(2) REPORTING ORGANIZATIONS.—Not later  
16 than September 30 of each calendar year, the Com-  
17 mission shall make available to the public a list of  
18 each organization which elects to file a report under  
19 subsection (a).

20       “(e) CERTIFICATION.—For purposes of section 222  
21 of the Internal Revenue Code of 1986 (relating to political  
22 contributions), not later than September 30 of each cal-  
23 endar year, the Commission shall certify to the Secretary  
24 of Treasury and each organization electing to report under

1 this section the name of each organization which meets  
 2 the voluntary reporting requirements of this section.”.

3 (c) CONFORMING AMENDMENT.—The table of sec-  
 4 tions for part VII of subchapter B of chapter 1 of the  
 5 Internal Revenue Code of 1986 is amended by striking the  
 6 last item and inserting the following new items:

“Sec. 222. Political contributions.

“Sec. 223. Cross reference.”

7 (d) EFFECTIVE DATE.—The amendments made by  
 8 this section shall apply to taxable years beginning after  
 9 the date of enactment of this Act.

10 **SEC. 5. TREATMENT OF PERSONAL SERVICES PROVIDED IN**  
 11 **COORDINATION WITH A POLITICAL COM-**  
 12 **MITTEE.**

13 Section 301(8)(A)(ii) of the Federal Election Cam-  
 14 paign Act of 1971 (2 U.S.C. 431(8)(A)(ii)) is amended  
 15 by inserting “or in coordination with a political com-  
 16 mittee” after “committee”.

